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House of Representatives

Committee on Post Office

and Civil Service

Washington, D.C. 20515

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COMMITTEE ON POST OFFICE AND CIVIL SERVICE

CONTINUATION OF HEARINGS ON SUPPLEMENTAL RETIREMENT SYSTEM

March 1, 1984

WITNESS LIST

1. Honorable William F. Bolger, Postmaster General, U.S. Postal Service
2. PANEL:

Moe Biller, President, American Postal Workers Union, AFL-CIO;

Vincent R. Sombrotto, President, National Association of Letter Carriers; and

Tom W. Griffith, President, National Rural Letter Carriers' Association.
3. PANEL:

R. Fain Hambricht, President, National League of Postmasters of the United States; and

Donald Ledbetter, President, National Association of Postal Supervisors.

OPENING STATEMENT OF CHAIRMAN WILLIAM D. FORD (D-MI)

March 1, 1984

Today we continue hearings into the development of a supplemental retirement plan for those Federal officers and employees who, effective January 1, 1984, are covered by social security. This is the second in a series which I expect will continue at least into next year.

As a result of the the Social Security Amendments of 1983, there are now two distinct groups of Federal employees for retirement purposes -- those covered by social security and those who are not. For those not covered, existing Federal retirement systems remain an appropriate and essential part of the compensation package. But for those who are covered by social security, existing systems are inappropriate. Accordingly, we must develop a supplemental retirement plan to coordinate with social security.

-2-

Today we will hear from the Postmaster General and representatives of organizations which represent postal employees. The Postal Service work force numbers more than 600,000, and its annual operating budget exceeds \$26 billion. Outside of the Department of Defense, no organization employs more people who are subject to the Civil Service Retirement System.

The Postal Service's situation is somewhat unique in that unlike most other sectors of the Federal establishment, postal labor and management bargain over most terms and conditions of employment. One notable item which is not on the bargaining table, however, is the retirement system. Unlike most other agencies, the Postal Service is required to make annual payments to the Civil Service Retirement Fund. These payments are in addition to the seven percent employer contribution generally required and are intended to compensate to some extent for certain liabilities accruing to the system.

-3-

I am sure there are other unique aspects involving the Postal Service and its work force which it is important for us to understand as we proceed in developing a supplemental retirement plan. The testimony we receive today will be invaluable in this regard.

Our first witness is the Postmaster General, the Honorable William F. Bolger.